

ELLCOT SPINNING MILLS LTD.

SLIENT FEATURES OF TOR'S OF BOARD COMMITTEES

AUDIT COMMITTEE

- Assisting in developing organizational leadership to implement code of corporate governance and sustain the changes resulting from its implementation
- Supporting organizational objectives through an effective communication strategy
- Raising the level of professional competence of staff/cadres
- Recommending the board of directors on the appointment of external auditors
- Determination of measures to safeguard the Company's assets
- Facilitating the external auditors and discussions on their observations
- Ensuring the coordination between internal and external auditors
- Review of scope and extent of internal audit
- Ascertaining the adequacy of internal control system (both financial and operational controls)
- Review and approve the fees and other benefits to be paid to the external auditor for audit services.
- Ensuring the coordination between the internal and external auditors
- Review and discuss separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review and discuss with the external auditors the management letter provided by the auditors and the Company's response to that letter.
- Review with the head of internal audit department, the internal audit plans, their scope and extent of ongoing audit activities
- Review with the head of internal audit, other relevant staff of internal audit/any other department and the management, the significant internal audit reports, examinations/findings, investigation results and management's response to these observations
- Review the internal audit department responsibilities, budget and staffing and suggest/recommend the changes, if required.
- Evaluate and discuss with the external auditors, head of internal audit and CFO, the adequacy and effectiveness of reporting structure and internal controls for accounting, auditing, financial and operational activities.
- Review major changes to the Company's auditing and accounting principles and practices as suggested by the external auditors, internal auditors or management.
- Review the implementation of recommendations by internal and external auditors on internal controls.
- To review the quarterly, half yearly and annual financial statements of the Company, prior to the approval by the Board
- To review and discuss with the Board, any announcements of results prior to their publication.
- To consider any reports and management/internal audit department's responses thereto submitted to the Audit Committee by the external auditors and management respectively.
- Review the program for monitoring compliance with the Company's Code of Ethics and Business Conduct and identify and discuss with the Board any violations.
- Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws, statutory requirements and regulations.

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

- To recommend to the Board, the Human Resource Management Policies.
- To recommend to the Board, the selection, evaluation, development, compensation (including retirement benefits) of the COO, CFO, Company secretary and head of internal audit.
- To consider, review and approve on recommendation of CEO on such matters for key management positions who report directly to CEO.

- To review and recommend to the Board a policy framework for determining remuneration of Executive Directors, Non-Executive Directors and members of senior management.
- undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if such independent consultant is appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of the appointment
- If consultants are appointed, they shall disclose to the committee their credentials and whether they have any other connection with the company
- To perform such other duties and responsibilities as the Board may require from time to time.
- To review and recommend to the board to engage Management consultants to obtain competitive range of salaries and other benefits for CEO, Executive Directors and Managerial positions in Pakistan.
- To consider and approve on recommendation of CEO in matters relating to the organizational structure, management development and succession plans.

EXECUTIVE COMMITTEE

- To open and/or close accounts of the Company with Bank (s)/Financial Institutions.
- To open and/or close account with any Share / Commodity Brokerages.
- To authorize any Director(s) / Officer(s) of the company to institute and file Civil and/or Criminal complaints.
- For obtaining of connection(s) / approval(s) from WAPDA, WASA, SNGPL, SSGCL, LESCO, autonomous bodies and other government authorities.
- To make investment from time to time in money market / stock markets and funds.
- To sell electricity to any government and / or other institutions / firms / companies and to execute documentations attached thereto.
- To pass the resolutions required by Central Depository Company of Pakistan Ltd (CDC) from time to time.
- To pass the resolution required by Securities & Exchange Commission of Pakistan, Stock Exchanges etc.
- To approve the amount of capital expenditure to be incurred and / or in a project and to approve the disposal of any item of fixed asset.
- To exercise any or all the powers of the Board as mentioned in section 183(2) of the Companies Act, 2017.